



March 9, 2012

APPLICATION FEES FOR PROGRAM APPROVALS HEARD IN HOUSE AND SENATE

On Tuesday and again on Wednesday, House Bill 1226 and Senate Bill 687 were heard before their respective legislative committees. These bills repeal the authority of the Maryland Higher Education Commission (MHEC) to charge an application fee to an institution of postsecondary education seeking approval of academic programs. The University System of Maryland (USM) testified in support of repealing the fee.

Last April, the passage of Budget and Reconciliation Financing Act (BRFA) authorized MHEC to charge fees for academic program approval.

On May 18, 2011, MHEC commissioners convened and expressed “concerns about the practicality of imposing these fees on in-state institutions...” and to “...urge the Governor and Department of Budget and Management and the Legislature to work with us to consider other means to fund Program and Institutional Approval Fees.” The Commission subsequently passed a motion stating: ***“The Legislature should reconsider the legislation, which authorized the imposition of these fees on in-state institutions, in future fiscal years.”***

The USM agreed wholeheartedly with the Commission's desire to reconsider the authorization of academic program fees. The latest figures available to USM show that the new fee requirement raised only one-third of its projected revenue.

ACADEMIC FACILITIES BONDING BILL CONSIDERED IN HOUSE

On Tuesday in House Appropriations, USM offered testimony in support of House Bill 782 – a departmental bill authorizing the use of \$32 million in academic facilities bonds for the purpose of financing construction, renovation, and renewal projects at USM buildings and campuses.

USM must gain legislative approval to use academic revenue bond (ARB) proceeds for certain capital improvements projects at academic facilities. The proposed fiscal 2013 capital budget includes \$32.0 million in ARBS: \$17.0 million for facilities renewal projects budgeted within the USM system office; \$10.0 million for the new Science and Technology Center at Coppin State University; and \$5.0 million for campus-wide building system and infrastructure improvements at the University of Maryland, College Park.

HOUSE BILL WOULD PUT SHADY GROVE AND HAGERSTOWN CAMPUSES IN JEOPARDY

In House Appropriations on Tuesday, committee members heard House Bill 1228 – a bill requiring the Governor to provide grants for each regional higher education center (RHEC) using a specified funding formula. The operating funds for each RHEC, including a center that is administered by the USM, must be calculated using the proposed formula and may not exceed the amount of funding calculated using the funding formula.

MHEC would be required to review and make recommendations regarding the inclusion of outcome and performance measures in the RHEC funding formula and report its findings and recommendations to the Governor and the General Assembly by October 1, 2013.

System officials, in addition to representatives from the Universities at Shady Grove and USM Hagerstown, testified in strong opposition to House Bill 1228.

HB 1228 would result in a 17% (or \$1.2M) reduction to the Universities at Shady Grove's FY2013 budget. This reduction would severely cripple its highly successful operation in Montgomery County. USG is a thriving example of how to increase access to affordable high-quality public higher education, and is unique not just in Maryland but nationwide. This proposed cut would penalize Montgomery County, Maryland's largest jurisdiction and an economic engine for the state, by reducing the available opportunities for its residents to obtain the undergraduate and graduate degrees they so desperately need in today's economy. The USG model has proven to be a great achievement in a short

period of time, and an approximately \$1.2 million budget reduction would wipe out the progress made to date and further penalize both its accomplishments and its efficiencies.

In addition, HB 1228 would result in a 53% (or \$1.0M) reduction to the University System of Maryland at Hagerstown (USMH) budget. With the severity of the cut, it is questionable whether USMH would be able to continue to provide educational opportunities to students of the region. Fuel and utilities costs and contractual services to maintain the facility would absorb the bulk of the remaining balance. The size of the reduction would, in effect, render the center inoperable.

COLLECTIVE BARGAINING BILL GETS HOUSE HEARING

On Tuesday, members of the House Appropriations Committee heard testimony on HB 972. The bill would extend collective bargaining to tenured or tenure-track faculty, adjunct faculty, and graduate student employees working at the constituent institutions of the USM, Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). The bill also authorizes the establishment of three additional bargaining units at each higher education institution, one for tenured or tenure-track faculty, a second for adjunct faculty, and a third for graduate student employees.

USM testified in opposition to HB 972 and was joined by student representatives and faculty from across all ranks. USM touted its long tradition of shared governance. Across USM institutions, sanctioned university governing bodies have members that represent every segment of our campuses including faculty, exempt and non-exempt staff, graduate students, and undergraduate students. This system has served various campuses well, has been the platform for addressing a wide range of issues over the years and is a model for effective governance. Several testified that shared governance is the single most effective method for addressing the concerns of all members of our university community and helps to maintain a collegial relationship between faculty and administration.

The USM was also concerned with the idea of giving adjunct faculty and graduate assistants full collective bargaining rights because of the complexity and immensely diverse nature of these two groups. In short, there are no two situations alike and allowing these groups to demand collective representation would not serve their best interests.

Representatives supporting and opposing House Bill 972 are having a dialogue to explore ways that may be better suited to address the representational desires of faculty and graduate assistants. Above all, participants in Tuesday's hearing voiced support for a process that offers an opportunity for dialogue, discussion, and options for addressing concerns.

Remaining 2012 Legislative Budget Schedule

March 13th

House Appropriations Committee

1pm

- House Operating Budget Decisions

March 14th

House Appropriations Committee

4pm

- House Capital Budget Decisions

March 26th

Joint Senate and House Committee

TBD

- Budget Conference Committee Begins

April 9th

12am

- 2012 Session Ends